NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provisio STANDARD LEASE V.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

Alkha Nancy Baker

THIS LEASE AGREEMENT is made this 38 day of APRIL 2000, by and between Nancy Turnbull Jenkins, a single person whose addresss in 1008 SYCAMORE TIERS, FORT WORTH as Lessor, and, DALE PROPERTY SERVICES, LLC. 2109 Ross Avenue, Suite 1979 Dates. Texas 75001, as Lessee. At printed portions of this lease were prepared by the party hereinshove named as Lessee, but all other provisions (including the completion of bisnic spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash brouss in hand paid and the covenants herein contained, Lessor hereby grants, lesses and less exclusively to Lessee the following described lend, hereinafter called leased premises:

.172 ACRES OF LAND, MORE OR LESS, BEING ALL OF LOT 15, BLOCK 10, OUT OF THE SEIBOLD ADDITION, AN ADDITION TO THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED IN VOLUME 309, PAGE 42, OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS;

In the County of TARRANT, State of TEXAS, containing _172 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gase. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are configuous or adjacent to the above-described leased premises, and, in consideration of the aforementationed cash bostus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of <u>Five</u> Squeers from the date hereof, and for as long there or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise management to the produced of the produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise management.

and the provisions hereof.

3. Royalises on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be One-fifth (1/5) of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of

A conceased on all, gas and outer's securities, the requisit seals of the continued of the Lesson and the continued of the co

of the leased premises or larios process unsurent areas to reduce to the project of the leased premises.

3. The inferest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the pacties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enterging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or

until Lessor has salitated the ordination requirements contained in Lesson's usual form of division order. In the event of the death of any person emitted to shut-in royalities beneficiary, Lasses may per or testide such abust in royalities to the creat of decoderint of denotiarity estimates the property of the state of the property of the transferral to the created of any person or the result in the deposition, either jointly or superately in proportion to the interest which each cowns. It Lasses transferral is interest hereunded in many person or the result in the deposition, either jointly or superately in proportion to the interest value and construction of the sale of the transferral is interest. Hereunded in the result is not a superated of all obligations therealth and the property of the transferral or the sale of the sale of

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lesse payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lesso is the product of good faith negotistions. Lessor understands that these lease payments and terms are final and that Lessor entered into this lesse without durees or under influence. Lessor recognizes that lease values could go up or down depending on mark conditions. Lessor acknowledges that no representations or assurances were made in the negotistion of this lesse that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lesse will seek to after the terms of this transaction based upon any differing terms which Lessoe has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executed by all parties hereinabove named as Lessor.

LESSOR (MHETHER ONE OR MORE)

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises. except water from Lesson's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter. 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, not, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted. 12. In the event that Lessor, during the primary term of this lesse, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other permanent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the price and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessoe hereunder, for a period of at less 90 days after Lessor has given Lessoe written notice fully describing the breach or default, and then only if Lessoe falls to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so. 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore essement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracks of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease. 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, tevied or assessed on or against the lessed premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until see has been furnished satisfactory evidence that such claim has been resolved. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other 18 operations 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that off and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms may vary deponding on multiple factors and that this Lease is the product of good faith negotiations. Leasor understands that these rease payments and terms are final and that Leasor entered into this lease without duress or under influence. Leasor recognizes that lease values could go up or down depending on market conditions. Leasor acknowledges that negotiations or assurances were made in the negotiation of this lease that Leasor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners. IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor. LESSOR (WHETHER ONE OR MORE) Nancy States Jankins A/KA Nancy Baker ACKNOWLEDGMENT STATE OF UNITED KING DOM COUNTY OF DURITION This instrument was acknowledged before me on the 28 day of APLIC, 2009, by: ancy Turnbull Jenkins, a single person (Identified by promotioned NB Passpare No: 13325 7158 in name of NANCY BAKER Notary Public, State of KNITED ICINGDOM Notary's name (printed): 81SI see 1 uo uopposs

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My commission

_day of ___

STATE OF

COUNTY OF

This instrument was acknowledged before me on the

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. 2009, by:

Notary Public, State of Notary's name (printed): Notary's commission expires:

2 Kingfisher Way, Preston Farm

Kingfisher House

noanidoR werbnA nomi2



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

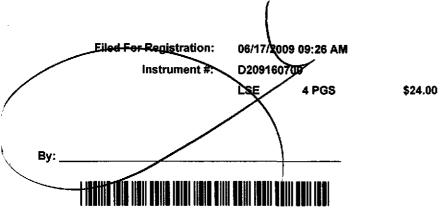
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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